



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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**Programming and Allocations Committee
April 13, 2011
Minutes**

Adrienne J. Tissier, Chair
San Mateo County

Amy Rein Worth, Vice Chair
Cities of Contra Costa County

Tom Azumbrado
U.S. Department of Housing
and Urban Development

Tom Bates
Cities of Alameda County

Dave Cortese
Santa Clara County

Bill Dodd
Napa County and Cities

Dorene M. Giacomini
U.S. Department of Transportation

Federal D. Glover
Contra Costa County

Mark Green
Association of Bay Area Governments

Scott Haggerty
Alameda County

Anne W. Halsted
San Francisco Bay Conservation
and Development Commission

Steve Kinsey
Marin County and Cities

Sam Liccardo
Cities of Santa Clara County

Jake Mackenzie
Sonoma County and Cities

Kevin Mullin
Cities of San Mateo County

Jon Rubin
San Francisco Mayor's Appointee

Bijan Sartipi
State Business, Transportation
and Housing Agency

James P. Spering
Solano County and Cities

Vacancy
City and County of San Francisco

Steve Heminger
Executive Director

Ann Flemer
Deputy Executive Director, Policy

Andrew B. Fremier
Deputy Executive Director, Operations

Chair Kinsey called the meeting to order at approximately 10:08 a.m. Committee members present were: Vice Chair Glover, Commissioners Bates, Cortese, and Sartipi. Commissioners Tissier and Rein-Worth were present as ad hoc voting members of the Committee. Other Commissioners present as ad hoc members of the Committee were: Giacomini, Green, Haggerty, Mackenzie, and Rubin.

Consent Calendar

The Committee received for information the Quarterly Report of Executive Director's Delegated Authority Actions and unanimously approved the following consent items after a motion by Commissioner Haggerty and a second by Commissioner Cortese:

- Minutes of March 9, 2011 meeting;
- Station Area Planning Grant Recommendations of \$640,000 along the Sonoma – Marin Area Rail Transit (SMART) Corridor. MTC Resolution No. 3723, Revised;
- Revisions to Short-Range Transit Plan Guidelines. MTC Resolution No. 3532, Revised;
- Allocation of \$5.6 million in Transportation Development Act (TDA) funds to Vallejo for transit operations. MTC Resolution No. 3950, Revised;
- Regional Measure 2 Capital Allocations of \$4.8 million in RM2 tolls for the I-680 SB HOV Gap Closure project between N. Main and Livorna in Contra Costa County and \$4.5 million in reallocated RM2 funds for the I-80 Eastbound Cordelia Truck Scales Replacement in Solano County. MTC Resolution Nos. 3739, Revised, and 3721, Revised;
- FTA Section 5310 Elderly and Disabled Specialized Transit Program FY 2009-10 and FY 2010-11 Regional Priorities. MTC Resolution No. 4005;
- Revisions to the FY 2010-11 FTA Non-urbanized Area Formula (Section 5311) Program of Projects. MTC Resolution No. 3988, Revised;
- 2010 STIP Amendment for VTA transferring \$13 million from Phase 1 to Phase 2 of the Capitol Light Rail Extension to Eastridge Extension project; and
- Reprogramming \$5.5 million in the RM2 Operating Program and Allocation of \$5.5 million in RM2 Operating Revenue to MTC for Clipper Operations. MTC Resolution Nos. 3955, Revised, and 3956, Revised.

Commissioner Mark Green asked if the \$5.5 million in RM2 Operating Revenue being allocated for Clipper Operations was taken from the Dumbarton Rail project. Steve Heminger, Executive Director, responded that these are funds designated in RM2 for Clipper and no funds were taken from the Dumbarton Rail project.

Regional

- *Caltrain Financial Plan Update.*

Steve Heminger, MTC Executive Director, provided an update from the Caltrain Board of Director's meeting held on April 7 on the proposed two-year operating financial plan for Caltrain.

Chair Adrienne Tissier gave additional updates from the Caltrain Board of Director's meeting and noted that she made a motion at that meeting to continue looking for funding because Caltrain is a model for the region with ridership going up, fare box recovery is at about 46-48%, and on-time performance is great. She further suggested a two-year time financial plan to provide time for Santa Clara, San Mateo, and San Francisco counties to come up with a dedicated source of funding to which the Caltrain Board agreed.

Commissioner Steve Kinsey asked what ideas have been discussed in terms of a long-term solution and the dedicated funding source. Chair Tissier responded that discussions are being held about the possibility of some type of development fee along the corridor, public-private partnership, and numerous other ideas.

Commissioner Kinsey asked Steve Heminger to address the regional transit funds that have developed from preventive maintenance. Mr. Heminger explained that while the priority use of federal transit capital funds has been for capital replacement and rehabilitation MTC has deviated from that policy over the past decade. The funds sit in pools according to geographic area. The San Francisco Oakland Urbanized Area includes MUNI, AC Transit, BART, Caltrain, and several others. There is a separate urbanized area covering San Jose in which Caltrain also is included because it serves both areas. When capital funds are converted to preventive maintenance for operating purposes, this doesn't only affect Caltrain, it affects all of the other operators and in the long-term can be a destructive strategy. A reserve has been created in the San Francisco, Oakland, and San Jose urbanized areas for Caltrain railcar replacement with a similar reserve for BART because they both have large railcar replacement projects coming up. In all likelihood, Caltrain's capital funds will be taken and given to Caltrain as operating funds and when the time comes to replace the railcars they will have less capital funds available.

Commissioner Dave Cortese expressed VTA's willingness to continue to work with Caltrain to resolve the funding shortfall.

Under Public Comment Yoriko Kishimoto, representing Friends of Caltrain, and Rich Hedges expressed their appreciation that MTC is working to save Caltrain and Ms. Kishimoto requested that RM2 funding be looked at as an option for funding Caltrain.

- *Regional Toll Credit Policy. MTC Resolution No. 4008.*

Ross McKeown, MTC Programming and Allocations Section, presented a proposal to establish conditions and criteria for using Toll Credits in lieu of local matching funds for regularly administered federally-funded projects. Upon the motion of Commissioner Bates and the second of Commissioner Rein-Worth the Committee unanimously approved forwarding Resolution No. 4008 to the full Commission for approval.

- *Regional Measure 2 (RM2) Capital Program Update.*

Amy Burch, Programming and Allocations Section, presented the status of capital projects in the Regional Measure 2 Program for the first half of FY 2010-11.

Commissioner Tom Bates asked which state funds were delayed. Ross McKeown responded that these are TCIF as well as CMIA funds which are both on hold until there is a new state bond sale.

Commissioner Steve Kinsey asked if projects fall off of the RM2 project list to make room for new projects to be added. Ms. Burch explained that when projects that are on track are moved to the completed project elements list, projects that were formerly at risk are added. Commissioner Kinsey asked if any screening is done for the projects that are at risk. Mr. Heminger responded that it will depend upon what committed project policy is adopted by the Commission.

Commissioner Haggerty asked whether the funds from the first phase of the BART to Warm Springs project are coming in substantially under budget and can the funds be advanced to Phase 2 of the project. Mr. Heminger explained that those funds are already factored in for the next phase and the project can't move forward without state bond funds. The funds could be advanced and then repaid, but an option would be to approach the state about a private placement with MTC. He cautioned that these are several other projects also in line for bond funding.

Commissioner Jake Mackenzie commented that the funding and cash flow plan being confirmed and the implementation strategy being developed for Sonoma Marin Area Rail Transit District (SMART) Corridor Rail Extension are being discussed at a meeting being held on April 15. Commissioner Kinsey added that it is possible that this will be a project seeking to reallocate RM2 funds within the next couple of months from the segment between San Rafael and Larkspur into the initial operating segment.

California Transportation Commission Update

Ross McKeown, MTC Programming and Allocations Section, gave the Committee an update from the CTC meeting held on March 23-24 in San Diego. Highlights included the CTC not allocating Bond and STIP funds until Bond sales take place in the fall or winter of this year; and although CMIA funds are not being allocated right now there are cost savings because many projects have realized low bids. Approximately \$75 million is available in the north state from the CMIA cost savings. MTC staff will be working with the CMA's and will come back to the Committee next month to prioritize projects to forward to the CTC for consideration of the CMIA savings.

Steve Heminger gave an update on the Federal budget that will be enacted for the balance of this year. Notable cuts to transportation include the High Speed Rail program that was zeroed out in the current year (approximately \$2.5 billion rescinded from FY 2010) and the New Starts program which is the source of funding for regular rail transit and bus transit investment around the country that was reduced by \$400 million in the current year.

Public Comment

Rich Hedges announced that on April 23 there will be a tour of the Contra Costa Transit Village and invited the Commissioners to attend.

Commissioner Kinsey adjourned the meeting at approximately 11:02 p.m.